

SUMMARY ANALYSIS OF AMENDED BILL

Author: Maze Analyst: Nicole Kwon Bill Number: AB 2709
 Related Bills: See Prior Analysis Telephone: 845-7800 Amended Date: May 30, 2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT:	FTB With The Assistance Of DSS, & EDD, Study & Report To The Legislature On Feasibility Of Developing Credit To Encourage Employers To Hire Former Foster Youth
_____	DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.
<u>X</u> _____	AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
_____	AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.
_____	FURTHER AMENDMENTS NECESSARY.
_____	DEPARTMENT POSITION CHANGED TO _____.
<u>X</u> _____	REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED <u>April 19, 2006</u> , STILL APPLIES.
_____	OTHER – See comments below.

SUMMARY

This bill would require the Franchise Tax Board (FTB), with the assistance of the State Department of Social Services and the Employment Development Department, to study the feasibility of a tax credit to hire former foster youth.

SUMMARY OF AMENDMENTS

The May 30, 2006, amendments made the following changes:

- FTB, with the assistance of the State Department of Social Services and the Employment Development Department, is required to study and report to the Legislature by December 31, 2007, on the feasibility of developing a tax credit to encourage employers to hire former foster youth.
- The study would include the following: 1) the number of unemployed former foster youth in California, 2) the principal barriers to employment for former foster youth, 3) an analysis of various options to encourage employers to hire former foster youth, 4) an estimate of the extent an employer tax credit would result in the hiring of former foster youth, and the

Board Position:	Legislative Director	Date
_____ S	_____ NA	_____ NP
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_____ N	_____ OUA	<u>X</u> _____ PENDING
	Brian Putler	6/19/06

extent to which it would provide a subsidy to employers for existing employees who are former foster youth, and 5) the cost-effectiveness of providing tax credits to employers.

As a result of the amendments, a new revenue estimate is provided below.

POSITION

Pending.

ECONOMIC IMPACT

Revenue Estimate

As amended, this bill no longer has an impact on income tax revenue.

Revenue Discussion

This amendment removes provisions that would have created a new category of Enterprise Zone “qualified employees.” Therefore, the revenue losses previously attributed to those provisions are no longer applicable.

LEGISLATIVE STAFF CONTACT

Nicole Kwon
Franchise Tax Board
845-7800
haeyoung.kwon@ftb.ca.gov

Brian Putler
Franchise Tax Board
845-6333
brian.putler@ftb.ca.gov